

Water Quality Trading 10/23/15

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Today's Proposed Agenda

1. Introductions
2. Ground Rules
3. Group Goal Statement
4. Changes to notes from last meeting?
5. Trading Program examples
6. Monitoring
7. Enforcement

Today's Proposed Agenda - Part 2

8. Regulatory Instruments
9. Guidance for/questions from sub-groups
10. Summary of today's meeting
11. Future meetings
12. Closing

Ground Rules

1. Informed Consent
2. Agreement before recommendation
3. Lack of agreement = opinions shared with CWC
4. Civil and constructive
5. Use expertise and opinions
6. Best information informs decisions
7. Transparency

Ground Rules (cont.)

8. Orderly process, then revisit

9. Facilitator's responsibilities

Edits?

Additions?

Ready to move on?

Group Strategic Goal

The department and those stakeholders participating in this work group strongly support the establishment of a voluntary water quality trading framework for Missouri as one of the tools to help meet local and state-wide water quality goals. For water quality trading to occur, we need a framework that is effective, efficient, and equitable for all those who wish to form a water quality trading program or to buy or sell credits within a trading program.

Group Strategic Goal - Part 2

A trading program will function best when adapted to and driven by local water quality conditions and specific water quality goals. Integrating water quality trading into watershed-based management provides a straightforward way to ensure water quality trading provides both economic and water quality benefits. The state should seek to form a common infrastructure to support trading programs in order to keep costs of establishing and operating water quality trading programs to a minimum.

Group Strategic Goal – Part 3

The goal of this group is to provide a framework for water quality trading programs in Missouri. This will take the form of a document that will explain to any organization that seeks to establish a trading program the key elements expected to be included in its proposal to the Clean Water Commission.



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Any edits to last month's notes?

Existing Trading Programs

- John Madras

Monitoring - Considerations

- Point source (loadings)
- Trading activity (portfolio/ledger)
- Implementation monitoring
- WQ monitoring
- Modeling vs. monitoring
- Monitoring to determine credits for new practices (WQT program and state role?)

Monitoring – Considerations

- Potential third party roles
 1. Assessing and validating practices
 2. Keeping a state-wide ledger
 3. Providing WQ monitoring

Tracking/Enforcement – Considerations

- WQT Program role (failed practices/trades, extreme events, reserve credits, recovery from events)
- Department – WPP role (Oversight of trading programs, credit accounting, point source activity, permit conditions)

[Note: No department role in most NPS project enforcement]

Potential Additional Roles

SWCP/USDA – Maintain NTT and practice lists
Geographic tracking of NPS activity

Regulatory instrument(s)

- Privacy for individual NPS (agricultural) projects
- [Aggregated data would be public]
- Enable department to act (role dependent)
- Resources and funding (role dependent)
- Overall program (market and transaction) structure

Baselines and Practices

Any questions

Any issues that have arisen

Logistics for next month (e-mail or drive)



Progress today

Recap decisions

Review process

Rate of progress

Level of understanding

Comfort with achieving our goal

Factors for Consideration

- Market structures and transaction mechanisms *
- Role and responsibilities *
- Incentive approach (Rewarding early implementation) *

Send me thoughts on January topics!

- Trading Ratios **
- Role of Ecosystem Services in crediting **
- Adaptive Management **

* = January

** = February

Comments, Questions, Suggestions

- What's working?
- What's not?
- What changes should we consider?